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Michigan Professional **FIRE FIGHTERS UNION**

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Reforms, Restructuring and Reinventing Committee

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Good morning, Mr. Chairman and Committee Members.

My name is Mark Docherty; I am the President of the Michigan Professional Fire Fighters Union and a Sergeant with the Sterling Heights Fire Department.

Thank you for allowing me the opportunity to testify before you today on behalf my organization and the 5000 firefighters that I represent serving 130 different communities throughout the state of Michigan.

I come before you today to express our opposition to HB 4572.

Our organization opposes this bill because of its negative impact on fire fighters and their ability to negotiate adequate healthcare coverage.

Fire fighters work in a profession that has a high rate of injuries, occupational diseases and exposure to numerous hazards which makes quality and affordable health care coverage an important element of our job.

For many years fire fighters have recognized the impact that rising healthcare costs are having on the communities they work and live in.

This is illustrated in every collective bargaining session across the state where healthcare costs continue to be a primary issue at the bargaining table. Historically, firefighters have worked collaboratively with local governments to contain these costs while maintaining effective healthcare coverage.

When we come to the table to bargain a contract we are essentially given a "piece of the pie". In the past that has meant by how much our contract costs can increase by. While currently, due to the economy, it means by how much the contract costs need to be decreased or reduced by.

Firefighters in many cases have given up greater savings in financial areas such as wages in order to maintain their healthcare benefits. This means we are paying for our healthcare through other means.

If a city needs to see a specific savings for that budget year and the bargaining group can meet that savings in ways other than health care concessions, I don't understand how this is harming the city.

I have been employed with the City of Sterling Heights for over 16 years and have had 4 contracts in that time. Every contract that we have negotiated since I have been there has seen a reduction in healthcare costs to the city. We have worked collaboratively with the City to find ways to reduce their costs while maintaining our benefits.

Health Care plans vary greatly from community to community. Each community should be able to determine what they want to spend on health care and do not need intervention from the State on this issue. It should remain a local issue.

One issue that this bill doesn't take into account is whether or not a city is self insured.

My City is self insured and if my family does not use any healthcare for the year, then my family does not cost the City a dime in healthcare costs. Although, if my family does utilize health care then the City's costs will be based on the claim. So when a city determines what the annual cost is for an employee's health care plan, they usually base that amount off of the total claims for the year since they do not have a set premium they pay. This amount can vary depending on what the claims history is and if they had an employee with a large claim the previous year.

Also I believe this cap will not encourage municipalities to seek out cost efficiencies or plan modifications since their costs will be capped and they will not care that the employees have to absorb any of the cost increases.

This creates a problem when we have to pay those costs over the cap although we will have NO ability to put the plan out for competitive bids to seek a more cost efficient health care company.

The employer is the only one that can do that. This leaves us with only one option to save money, which is to reduce benefits of the plan which in turn will jeopardize the health care that our members have.

In our profession, with the risks we take and the bad things we are exposed to, this is unacceptable.

Firefighters want their communities to be safe and fiscally sound. And they want to know that they are protected if something bad happens.

This is why we continually work to assist our employers to achieve the cost savings they need to accomplish this.

Firefighters have a risky job and their risk increases significantly as they have to perform their job with fewer fire fighters. For this very reason, we continually provide concessions such as healthcare savings to keep our guys on the job.

Please allow us to continue to bargain plans that work for our employers and our employees.

We urge the committee to reject this bill and allow this to remain a local issue that is bargained between the employer and employees to achieve the most appropriate cost savings for that community.

I want to thank the Chairman and the committee members for this opportunity to address the committee today.

And I would be happy to answer any questions that you may have for me.